

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6551

BILL NUMBER: HB 1531

DATE PREPARED: Jan 11, 1999

BILL AMENDED:

SUBJECT: Education personnel issues.

FISCAL ANALYST: Brian Tabor
233-9456

FUNDS AFFECTED: **GENERAL**
DEDICATED
FEDERAL

IMPACT:

 of Legislation: This bill adds final offer mediation-arbitration as an alternative method of bargaining for education personnel. It includes certain state educational institutions in school units required Relations Board (IEERB) to issue certain orders and impose certain requirements on a person who commits

Effective Date:

Explanation of State Expenditures:

final offer mediation-arbitration when impasses occur. The estimated additional cost to the IEERB associated with implementation of this bill is be approximately \$146,600. The net increase in expenditures would be \$107,215 per year (\$253,215 -

This bill adds collective bargaining for employees of Ivy Tech State College and teachers employed by the for corrections and special state institutions. However, the estimates presented here do not include costs associated with these provisions. The IEERB feels that state-employed teachers could be covered by the staff and resources of the Board, but that Ivy Tech employees could not. Depending on how these employees practices and impasse procedures. IEERB may also require temporary additional support during the

Expenses: estimated increase in expenses would be \$253,215 per year. This amount is based on the projected estimates assume that this option will be used by approximately 25% of the bargaining units covered by this (based on current practice). Usage below this level would likely decrease the net costs resulting from this

bill.

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given the bill's seven (7) day limit on the actual mediation, would be approximately eleven (11) days (7 for 1 for hearings, 2 for writing and 1 for travel). Additional expenses per case include travel (\$112 per case), lodging (\$520 per case), and per diem of \$4,965 per case.

Of

over the past ten years without using current impasse procedures. As 25% of these units are expected to use mediation-arbitration process, the annual projected number of cases is 51 (306 x 66% x 25%). This results in a projected cost of \$253,215 per year (51 cases x \$4,965 per case).

_____ This

people in Indiana qualified as arbitrators, the relative pay rate compared with other states, and the time lines by this proposal, \$375 per day may be too low to attract the necessary number of arbitrators.

Arbitrators

receiving \$500 to \$750 each day. The actual fiscal impact of this bill would also depend upon the average

Savings:

each

no longer used, a savings of \$146,000 could be generated expenses (\$50,000). Any savings resulting from the staff reduction could be delayed if accomplished through Staff travel for mediation and fact-finding procedures conducted under the current system would also be cut, saving approximately \$10,000. Further savings may time required to bargain and resolve labor disputes.

_____ **Explanation**

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have rejected under the current system.

Explanation of Local Revenues:

State Agencies Affected: IEERB.

_____ School corporations and state educational institutions.

Information Sources: